

Washington State Auditor's Office

Audit Report

Audit Services

Report No. 58115

BENTON COUNTY COMBINED SPECIAL PURPOSE DISTRICTS

Benton County, Washington

January 1, 1993 Through December 31, 1995

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BENTON COUNTY COMBINED SPECIAL PURPOSE DISTRICTS
Benton County, Washington
January 1, 1993 Through December 31, 1995

**Independent Auditor's Report On Compliance With State
Laws And Regulations**

Boards of Directors
Benton County Combined Special Purpose Districts
Benton County, Washington

We have audited the Schedule of Cash Activity, Operation of Investments, and Schedule of Long-Term Debt, as listed in the table of contents, of the Benton County Combined Special Purpose Districts, Benton County, Washington, as of and for the fiscal years ended December 31, 1995, 1994, and 1993, and have issued our report thereon dated August 30, 1996.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the districts complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the districts' management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance, or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the districts and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the districts complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. However, we noted an instance of noncompliance of regulatory requirements immaterial to the financial statements which is identified in the Schedule of Findings accompanying this report. With respect to items not tested, nothing came to our attention that caused us to believe that the districts had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the boards of directors and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag, CGFM
State Auditor

August 30, 1996

BENTON COUNTY COMBINED SPECIAL PURPOSE DISTRICTS
Benton County, Washington
January 1, 1993 Through December 31, 1995

Schedule Of Findings

1. Fire Protection District No. 2 Should Improve Its System For Billing Ambulance Services

During our 1993-95 audit of Fire Protection District No. 2, we noted that the district did not bill approximately \$69,000 in ambulance billings in a timely manner. In addition, the district has failed to bill for ambulance services rendered in the last six months of 1995 and all of 1996.

RCW 52.12.131 states:

Any fire protection district which provides emergency medical services, may by resolution establish and collect reasonable charges for these services in order to reimburse the district for its costs of providing emergency medical services.

In accordance with RCW 51.12.131, Fire Protection District No. 2 approved various resolutions authorizing the imposition and collection of ambulance service fees.

By not billing and collecting the fees in a timely manner, the district runs the risk of losing potential revenues which offset the operating costs of providing the emergency medical services.

Billings were not performed and/or delayed because the district experienced high personnel turnover.

We recommend Fire Protection District No. 2 calculate and bill all unbilled ambulance fees for the last half of 1995 and 1996 immediately. We also recommend the district perform the ambulance fee billing function on a monthly basis.

Auditee's Response

The Commissioners attempted to employ the personnel necessary to perform the billing functions. When that proved to be unsuccessful, contracting for the service was considered but it deemed to be inefficient because the costs would exceed the benefits because many of the accounts were past the billing periods for insurance and Medicare payments.

Currently, the district has the personnel necessary to perform the billing function and is in the process of addressing any unbilled accounts.

BENTON COUNTY COMBINED SPECIAL PURPOSE DISTRICTS
Benton County, Washington
January 1, 1993 Through December 31, 1995

Independent Auditor's Report On Financial Statements

Boards of Directors
Benton County Combined Special Purpose Districts
Benton County, Washington

We have audited the Schedule of Cash Activity, Operation of Investments, and Schedule of Long-Term Debt, of the various funds of those special purpose districts of Benton County, Washington, listed in the financial statements, for the fiscal years ended December 31, 1995, 1994, and 1993. These financial statements are the responsibility of the districts' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, Benton County prepares financial statements on behalf of the districts on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A substantial portion of the revenues of the water districts and irrigation districts, consists of locally collected charges and fees. It was not practicable to satisfy ourselves with respect to these revenues beyond the amounts recorded by the county as received.

In our opinion, except for the effect, if any, of the matters discussed in the preceding paragraph, and except that omitted disclosures might influence a user's conclusions about the districts' transactions, the accompanying financial statements present fairly the cash and investment transactions and the long-term bonded indebtedness of the funds of the listed districts for the fiscal years ended December 31, 1995, 1994, and 1993, on the prescribed basis of accounting.

Brian Sonntag, CGFM
State Auditor